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UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

UNITED STATES OF AMERICA,

vs.

Case:2:18-cr-20827
Judge: Cox, Sean F.
MJ: Stafford, Elizabeth A.
Filed: 12-19-2018 At 01:57 PM
USA V SEALED MATTER (LG)

D-1 BRIAN LOREN,

D-2 RYAN LOREN,

VIOLATIONS: 18 U.S.C. § 371

D-3 KAYLA LOREN aka "KAYLA PACE,"

18 U.S.C. § 1623

D-4 JAIME JOHNSON,

18 U.S.C. § 1956

Defendants.

/

INDICTMENT

The Grand Jury charges:

D-1 BRIAN LOREN

D-2 RYAN LOREN

D-3 KAYLA LOREN aka "KAYLA PACE"

D-4 JAIME JOHNSON

GENERAL ALLEGATIONS

1. The United States Department of Housing and Urban Development ("HUD") provides federal funds to public housing agencies to administer HUD's low-income housing programs and manage and maintain the local low-income housing facilities.

2. The Housing Choice Voucher program, commonly known as the Section 8 housing program (“Section 8”), is a federal program for assisting very low-income families, the elderly, and the disabled to afford decent, safe, and sanitary housing in the private market. Eligible families are allowed to find suitable housing of their choice, including single-family homes, townhouses, and apartments. Once the housing selected by the eligible participant meets the requirements of the Section 8 program, the Public Housing Authority (“PHA”) will issue housing subsidy payments to the landlord directly on behalf of the participating individual(s), pursuant to a Section 8 Housing Assistance Payments Contract (“HAP contract”).

3. The Section 8 program prohibits any “covered individual” of the PHA from having any direct or indirect interest in a HAP contract or in any benefits or payments under the contract, including the interest of an immediate family member of the employee while the employee is still employed by the PHA or during one year thereafter.

4. A covered individual includes any employee of the PHA. Immediate Family Member is defined as the spouse, parent (including a stepparent), child (including a stepchild), grandparent, grandchild, sister or brother (including a stepsister or stepbrother) of any covered individual.

5. HUD requires an annual recertification of all Section 8 tenants. Both the Section 8 landlord and tenant are notified of any changes in the Section 8 lease.

6. At all times material to this indictment, the St. Clair Housing Commission (“Commission”) was a PHA in St. Clair County, Michigan, in the Eastern District of Michigan.

7. At all times material to this indictment, that is, within each 12 month period during the calendar years, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015 and 2016, the Commission received benefits in excess of \$10,000 under a federal program involving a grant, contract, subsidy, loan, guarantee, insurance, or other form of federal assistance, which almost entirely consisted of funds to finance HUD’s low-income housing programs in St. Clair County.

8. At all times material to this indictment, Lorena Loren was the Executive Director of the Commission. As the Executive Director, Lorena Loren was an agent of the Commission.

9. As the Executive Director of the Commission, Lorena Loren was responsible for the administration and management of federal funds provided to the Commission by HUD for its public housing facilities and to administer HUD’s low-income housing programs, including the Section 8 housing program.

10. At all times material to this indictment, the Commission utilized a form entitled “Section 8 Housing Choice Voucher Program Notice of Change to Lease/Contract,” (“Lease Change Notice”) to notify Section 8 tenants and landlords

of the recertification of the tenant's Section 8 eligibility due to a change in the family's annual income or family composition and or an adjustment to rent.

11. From at least November 2003 through August 2016, while serving as the Executive Director of the Commission, Lorena Loren had the authority to enter into HAP contracts with eligible Section 8 participants and to execute lease agreements on behalf of the Commission with landlords who qualified under the Section 8 program.

12. At all times material to this indictment, **BRIAN LOREN** was Lorena Loren's husband.

13. At all times material to this indictment, **RYAN LOREN** was Lorena Loren's son.

14. At all times material to this indictment, Gary Stocks, Sr. was Lorena Loren's father.

15. At all times material to this indictment, Gary Stocks, Sr. was **RYAN LOREN**'s grandfather.

16. On June 11, 2011, **RYAN LOREN** and **KAYLA LOREN** were married, and, as a result, **KAYLA LOREN** became Lorena Loren's daughter-in-law.

17. On September 27, 2014, **JAIME JOHNSON** and Nicholle Johnson,

Lorena Loren's daughter, were married, and, as a result, **JAIME JOHNSON** became Lorena Loren's son-in-law.

COUNT ONE
(18 U.S.C. §§ 371 & 666(a)(1)(A)-
Conspiracy to Commit Federal Program Fraud)

D-1 BRIAN LOREN
D-2 RYAN LOREN
D-3 KAYLA LOREN
D-4 JAIME JOHNSON

18. The allegations contained in the preceding paragraphs are hereby re-alleged and incorporated by reference in Count One as if fully set forth herein.

19. From in or about August 2008 and continuing through in or about August 2016, in the Eastern District of Michigan, Southern Division, and elsewhere, the defendants **BRIAN LOREN**, **RYAN LOREN**, **KAYLA LOREN**, and **JAIME JOHNSON** did unlawfully, knowingly, and willfully combine, conspire, confederate, and agree with Lorena Loren and other individuals, both known and unknown to the Grand Jury, to commit an offense against the United States, that is, to violate Title 18, United States Code, Section 666, federal program fraud.

20. During the course of the conspiracy, the defendants **BRIAN LOREN**, **RYAN LOREN**, **KAYLA LOREN** and **JAIME JOHNSON** did steal, obtain by fraud, and intentionally misapply property worth at least \$5,000 which was under the ownership, care, custody and control of the Commission.

MANNER AND MEANS OF THE CONSPIRACY

The manner and means by which, **BRIAN LOREN, RYAN LOREN, KAYLA LOREN, JAIME JOHNSON**, Lorena Loren and others, both known and unknown to the Grand Jury, sought to accomplish the conspiracy included, among other things:

21. From August 1, 2008 through August 1, 2016, while Lorena Loren was an agent of the Commission, **RYAN LOREN, KAYLA LOREN, JAIME JOHNSON**, Lorena Loren and others employed various methods to convert federal funds provided to the Commission by HUD for the Section 8 housing program for their own personal use.

22. Among other things, **RYAN LOREN, KAYLA LOREN, JAIME JOHNSON**, Lorena Loren and others fraudulently entered into Section 8 HAP contracts for rental units from which **BRIAN LOREN, RYAN LOREN, KAYLA LOREN, JAIME JOHNSON** and Lorena Loren personally benefitted and or received payments, in violation of HUD regulations that prohibit Commission employees and their immediate family from having a direct or indirect interest in a HAP contract or receiving any benefits or payments under those contracts.

23. From 2008 through 2016, while Lorena Loren was an agent of the Commission, **RYAN LOREN, KAYLA LOREN, JAIME JOHNSON**, Lorena Loren and others, entered into falsified Section 8 lease agreements from which

BRIAN LOREN, RYAN LOREN, KAYLA LOREN, JAIME JOHNSON and Lorena Loren personally benefitted and or received payments, all in violation of HUD regulations and guidelines.

OVERT ACTS

24. In furtherance of the conspiracy, and to effect the objects thereof, the Defendants **BRIAN LOREN, RYAN LOREN, KAYLA LOREN, JAIME JOHNSON**, Lorena Loren and their co-conspirators committed and caused to be committed the following overt acts, among others, in the Eastern District of Michigan, and elsewhere:

25. On August 1, 2008, **RYAN LOREN** and DF fraudulently executed a one year Section 8 lease agreement for the Sheridan Unit at the rate of \$475.00 per month. DF was an individual who Lorena Loren and **RYAN LOREN**, used as a nominee, to conceal the fact that **RYAN LOREN** was an actual tenant at the Sheridan Unit.

26. On or about August 1, 2008, Lorena Loren fraudulently entered into a Section 8 HAP contract with FN, the owner of the Sheridan Unit for the tenancy of **RYAN LOREN**, which omitted **RYAN LOREN**'s name as a tenant even though **RYAN LOREN** resided in the Sheridan Unit and had executed a Section 8 lease agreement with the owner of the Sheridan Unit.

27. In or about August 2008, Lorena Loren removed **RYAN LOREN**'s name from the Section 8 lease agreement for the Sheridan Unit that was previously executed by **RYAN LOREN** and DF in order to conceal **RYAN LOREN**'s actual residency at the Sheridan Unit. Lorena Loren placed the altered Section 8 lease agreement in a tenant file for DF at the Commission.

28. On or about August 1, 2008, Lorena Loren also increased the rental rate for the Sheridan Unit from \$475.00 to \$525.00 based on the fraudulent Section 8 HAP contract.

29. Between August 1, 2008 and August 1, 2009, as an agent of the Commission, Lorena Loren issued monthly Section 8 rental subsidy payments to the owner of the Sheridan Unit in the amount of \$525.00 to fraudulently pay for **RYAN LOREN**'s tenancy at Sheridan Unit.

30. On August 1, 2009, Lorena Loren prepared a fraudulent Lease Change Notice on which Lorena Loren represented that DF still resided at the Sheridan Unit even though Lorena Loren and **RYAN LOREN** both knew that DF had moved from the Sheridan Unit in or about February of 2009 and **RYAN LOREN** was the sole occupant in the Sheridan Unit.

31. Between August 2009 and August 2010, as an agent of the Commission, Lorena Loren fraudulently issued monthly Section 8 rental subsidy

payments in the amount of \$525.00 to the owner of the Sheridan Unit to pay for **RYAN LOREN's** sole tenancy at the Sheridan Unit.

32. On August 1, 2010, Lorena Loren prepared a fraudulent Lease Change Notice in which Lorena Loren falsely represented that DF still resided at the Sheridan Unit even though Lorena Loren and **RYAN LOREN** both knew that DF had moved from the Sheridan Unit in February 2009 and **RYAN LOREN** was the sole occupant in the Sheridan Unit.

33. Between August 1, 2010 and December 1, 2010, as an agent of the Commission, Lorena Loren issued monthly Section 8 rental subsidy payments to the owner of the Sheridan Unit in the amount of \$492.00 for **RYAN LOREN's** sole tenancy at the Sheridan unit.

34. On or about November 10, 2010, Lorena Loren prepared a forged document which purported that DF requested that **KAYLA LOREN** under the name "Kayla Jean Pace," **RYAN LOREN's** then-girlfriend, be added to DF's Section 8 lease agreement for the Sheridan Unit and that DF's name be removed from the Section 8 lease agreement for the Sheridan Unit, effective December 1, 2010.

35. On December 1, 2010, Lorena Loren falsified a Lease Change Notice by representing that based on a change in family composition, DF was removed from the Section 8 lease agreement for the Sheridan Unit and **KAYLA LOREN** was made the new leasee of the Sheridan Unit for a lease term beginning December 1, 2010

and ending August 1, 2011, at a rental rate of \$525.00. During this period, **RYAN LOREN** continued to reside at the Sheridan Unit in violation of HUD's federal rules and regulations.

36. Between December 1, 2010 and August 1, 2011, Lorena Loren, as an agent of the Commission, increased the monthly Section 8 rental payment for the Sheridan Unit from \$492.00 to \$525.00 and issued monthly Section 8 rental subsidy payments to the owner of the Sheridan Unit to pay for **RYAN LOREN**'s tenancy at the Sheridan Unit, while **KAYLA LOREN** served as a nominee to conceal **RYAN LOREN**'s actual tenancy in the Sheridan Unit.

37. On or about January 1, 2011, as an agent of the Commission, Lorena Loren increased the Section 8 rental subsidy payment for **RYAN LOREN**'s and **KAYLA LOREN**'s tenancy at the Sheridan Unit from \$525.00 to \$550.00, which represented the total amount of the rental rate for the Sheridan Unit, for a lease term ending August 1, 2011.

38. On or about August 1, 2011, Lorena Loren prepared a fraudulent Lease Change Notice in which she falsely represented that "Kayla Pace" was the sole tenant at the Sheridan Unit. Lorena Loren approved an additional one year fraudulent Section 8 lease agreement of the Sheridan unit for the true benefit of **RYAN LOREN** and **KAYLA LOREN**, beginning August 1, 2011 and ending August 1, 2012, despite "Kayla Pace" having married **RYAN LOREN** on June 11, 2011,

becoming Lorena Loren's daughter-in-law, and having changed her name to **KAYLA LOREN** on or about June 13, 2011.

39. Between August 1, 2011 and April 1, 2012, Lorena Loren issued monthly Section 8 rental subsidy payments in the amount of \$550.00 to the owner of the Sheridan Unit to pay for the rental tenancies of **RYAN LOREN** and **KAYLA LOREN**, Lorena Loren's son and daughter-in-law, respectively, in violation of HUD rules and regulations.

40. On or about May 1, 2012, Lorena Loren falsified a Section 8 HAP contract by falsely representing that her father, Gary Stocks, Sr., owned the Sheridan Unit and that "Kayla Pace" was the sole tenant, even though Stocks, Sr. did not own the Sheridan Unit and **RYAN LOREN** and **KAYLA LOREN** had vacated the Sheridan Unit on or about April 2012 and had relocated to the state of Florida in May 2012. The lease term of the fraudulent Section 8 HAP contract was May 1, 2012 through July 31, 2013 at rental rate of \$750.00, and a Section 8 rental subsidy payment in the amount \$700.00 for the Sheridan Unit.

41. On May 2, 2012, **RYAN LOREN** and **KAYLA LOREN** completed an application to rent an apartment located at 1625 E. Shangri La in Daytona Beach, Florida.

42. On May 9, 2012, Lorena Loren issued a Section 8 rental subsidy payment in the amount of \$700.00 to Stocks, Sr. as the purported owner of the

Sheridan Unit for the direct benefit of **RYAN LOREN**, while **RYAN LOREN** and **KAYLA LOREN** resided in Florida.

43. On May 11, 2012, **RYAN LOREN** and Stocks, Sr., opened a joint bank account, account number ending 0837, at Fifth Third Bank ("Fifth Third Account 0837"), Wadhams Banking Center, located at 5314 Lapeer Road, Kimball, Michigan.

44. On or about May 11, 2012, **RYAN LOREN** falsely represented to officials at Fifth Third Bank that Stocks, Sr. was **KAYLA LOREN**'s grandfather.

45. On May 11, 2012, Stocks, Sr. deposited the Section 8 rental subsidy payment that Lorena Loren issued to him on or about May 9, 2012, in the amount of \$700.00, as the initial deposit into the Fifth Third Account 0837 that Stocks, Sr. and **RYAN LOREN** had opened for the direct benefit of **RYAN LOREN**.

46. In furtherance of the conspiracy, between May 11, 2012, upon the opening of Fifth Third Account 0837, and May 18, 2012, a statement was issued to Stocks, Sr., but at **RYAN LOREN**'s address, 1625 E. Shangri La Drive, Daytona Beach, Florida. The subsequent bank statement for Fifth Third Account 0837, for the period between May 19, 2012 and June 19, 2012, was issued to **RYAN LOREN** at the same Daytona Beach address.

47. Based on the fraudulent May 12, 2012 Section 8 HAP contract that listed Stocks, Sr. as the owner of the Sheridan Unit, Lorena Loren prepared a Lease

Change Notice in which Lorena Loren fraudulently approved Section 8 housing assistance in the name of “KAYLA PACE” for an additional lease term beginning August 1, 2012 and ending August 1, 2013. Lorena Loren raised the Section 8 rental subsidy payment for the Sheridan Unit from \$550.00 to \$600.00.

48. Between May 1, 2012 and July 31, 2013, Lorena Loren issued monthly Section 8 rental subsidy payments to Stocks, Sr. in the amount of \$700.00, purportedly for KAYLA PACE’s rent at the Sheridan Unit, but which were, in fact, for the direct benefit of **RYAN LOREN** and **KAYLA LOREN**. During this period, **RYAN LOREN** and **KAYLA LOREN** did not live in the Sheridan Unit because they had relocated to Daytona Beach, Florida.

49. Between May 1, 2012 and July 31, 2013, Stocks, Sr. deposited all the Section 8 rental subsidy payments issued to him by Lorena Loren into Fifth Third Account 0837 for the direct benefit of **RYAN LOREN**.

50. Beginning in August 1, 2013, Lorena Loren falsified a Lease Change Notice in which she falsely represented that Stocks, Sr. owned the Sheridan Unit and “Kayla Pace” was the tenant. As an agent of the Commission, Lorena Loren fraudulently renewed the fraudulent HAP contract for the rental of the Sheridan Unit for a lease term beginning August 1, 2013 and ending August 1, 2014 at the rental rate of \$600.00, even though **KAYLA LOREN** resided in Daytona Beach, Florida with **RYAN LOREN**.

51. In furtherance of the conspiracy, in addition to the Sheridan Unit, beginning on August 1, 2013 and continuing through August 2, 2016, Lorena Loren issued monthly Section 8 rental subsidy payments to Stocks, Sr. in the amount of \$553.00, for rental property Lorena Loren falsely claimed to be owned by Stocks, Sr. at 490 8th Street (“8th Street”), Marysville, Michigan, where a former Section 8 tenant once resided but had since vacated.

52. Beginning on January 1, 2016 and continuing through August 2, 2016, Lorena Loren issued monthly Section 8 rental subsidy payments, in the amount of \$700.00, to Stocks, Sr. for the direct benefit of **RYAN LOREN** for rental property that Lorena Loren falsely claimed Stocks, Sr. owned located at 508 Vine Street, St. Clair, Michigan, where a former Section 8 tenant once resided but had since vacated.

53. Beginning in January 1, 2016 and continuing through August 2, 2016, Lorena Loren fraudulently increased the monthly Section 8 rental subsidy payments from \$600.00 to \$650.00 that she issued to Stocks, Sr. as the purported owner of the Sheridan Unit.

54. Between May 9, 2012 and August 2, 2016, Lorena Loren issued fraudulent Section 8 rental subsidy payments to Stocks, Sr., purportedly for the Sheridan, 8th Street, and Vine Street rental units, totaling \$59,161.00, for the direct benefit of **RYAN LOREN**.

55. Between May 2012 and August 2016, Stocks, Sr. deposited each of the Section 8 rental subsidy payments, totaling \$59,161.00, issued to him by Lorena Loren into the Fifth Third Account 0837 for the direct benefit of **RYAN LOREN**.

56. Between May 2012 and October 1, 2016, **RYAN LOREN** converted the \$59,161.00 in federal funds deposited by Stocks, Sr. into the Fifth Third Account 0837 to his own use to, among other things, pay rent and mortgage payments; for restaurants, movies, gas and retail and, on August 21, 2016, for a \$5,000 earnest money deposit on a home located at 9125 E. Baker Highway in Nicholls, Georgia that was later purchased to serve as the personal residence of Lorena Loren, **BRIAN LOREN, RYAN LOREN, and KAYLA LOREN**.

57. The total amount of fraudulent Section 8 rental subsidy payments issued for the direct benefit of **RYAN LOREN** and **KAYLA LOREN** between August 2008 and August 2016 is summarized as follows:

<u>Landlord/ Payee</u>	<u>Address</u>	<u>Tenant Listed</u>	<u>Actual Tenant (s)</u>	<u>Time Period Paid</u>	<u>Section 8 Subsidy Paid</u>
FN	525 S. Sheridan	DF	Ryan Loren & DF (8/2008-2/2009)	8/2008- 11/2010	\$14,700.00
FN	525 S. Sheridan	Kayla Pace	Ryan Loren & Kayla (Pace) Loren	12/2010- 5/2012	\$9,900.00
Gary Stocks Sr	525 S. Sheridan	Kayla Pace	None	5/2012- 8/2016	\$33,100.00
Gary Stocks Sr	490 8th Street	None Listed	None	8/2013- 8/2016	\$20,461.00
Gary Stocks Sr	508 Vine Street	None Listed	None	1/2016- 8/2016	\$5,600.00
				Total:	\$83,761.00

58. In furtherance of the conspiracy, in July 2014, Lorena Loren approached respective tenants in a five unit rental property located at 3221 Port Austin (“Port Austin”), Port Austin, Michigan that Lorena Loren and **BRIAN LOREN** owned and convinced the tenants to apply for the Section 8 housing program at the Commission.

59. As an agent of the Commission, Lorena Loren fraudulently approved the Section 8 housing applications provided to the Port Austin tenants by Lorena

Loren and later submitted by the respective five tenants for their tenancies at the Port Austin property Lorena Loren and **BRIAN LOREN** owned.

60. On July 19, 2014, **BRIAN LOREN** and **JAIME JOHNSON** opened a joint bank account, account ending 8186, (“PNC Account 8186”) at the PNC Bank in Deland, Florida.

61. On August 1, 2014, Lorena Loren and **JAIME JOHNSON** entered into a fraudulent Section 8 HAP contract for BG, a tenant in Apt. 1 at the Port Austin property which falsely listed **JAIME JOHNSON** as the owner of Port Austin. The term of the lease was August 1, 2014 through July 31, 2015 at the rental rate of \$600.00. The Section 8 rental subsidy payment was listed as \$393.00. According to the fraudulent lease, the balance of \$207.000 was the tenant’s responsibility.

62. In August 2014, Lorena Loren directed BG to mail BG’s portion of the rental payment to **JAIME JOHNSON** at 1329 Golfview Drive, Daytona Beach, Florida, a house that Lorena Loren, **BRIAN LOREN**, **RYAN LOREN** and **JAIME JOHNSON** had purchased with an FHA-insured mortgage and where **RYAN LOREN**, **KAYLA LOREN**, **JAIME JOHNSON**, and **JAIME JOHNSON**’s wife and Lorena Loren’s daughter, Nicholle Johnson, resided.

63. On August 1, 2015, Lorena Loren, as an agent of the Commission, renewed the fraudulent Section 8 lease between BG and **JAIME JOHNSON** until August 1, 2016. Lorena Loren raised the rent to \$603.00, but maintained the same

rental subsidy payment of \$393.00 and increased BG's personal rental payment to \$210.

64. On August 1, 2016, Lorena Loren, as an agent of the Commission, renewed the fraudulent Section 8 lease between BG and **JAIME JOHNSON** until August 1, 2017, but reduced the rent from \$603.00 to \$586.00, and thereby reduced the Section 8 rental subsidy payment to \$376.00, but maintained BG's personal rental payment of \$210.00.

65. Between August 2014 and August 2016, Lorena Loren issued Section 8 rental subsidy payments to **JAIME JOHNSON** for BG's tenancy at the Lorena Loren and **BRIAN LOREN**'s Port Austin property, totaling \$10,184.00, for the direct benefit of Lorena Loren, **BRIAN LOREN**, and **JAIME JOHNSON**.

66. On August 1, 2014, Lorena Loren and **JAIME JOHNSON** entered into a fraudulent HAP contract for MC, a tenant in Apt. 2 at the Port Austin Unit which falsely listed **JAIME JOHNSON** as the owner of Port Austin. The term of the lease was August 1, 2014 through July 31, 2015, at the rental rate of \$600.00. The Section 8 rental subsidy was \$394.00. According to the fraudulent lease, the balance of the rental payment of \$206.00, was listed as the tenant's responsibility.

67. In August 2014, Lorena Loren directed MC to mail MC's portion of the rental payment to **JAIME JOHNSON** at 1329 Golfview Drive, Daytona Beach, Florida, a house that Lorena Loren, **BRIAN LOREN**, **RYAN LOREN** and **JAIME**

JOHNSON had purchased with an FHA-insured mortgage and where **RYAN LOREN, KAYLA LOREN, JAIME JOHNSON**, and **JAIME JOHNSON**'s wife and Lorena Loren's daughter, Nicholle Johnson, resided.

68. On August 1, 2015, Lorena Loren, as an agent of the Commission, renewed the fraudulent Section 8 lease between MC and **JAIME JOHNSON** until August 1, 2016, and raised the rent to \$610.00. Lorena Loren increased the rental subsidy payment to \$402.00 and MC's rental payment to \$208.

69. On August 1, 2016, Lorena Loren, as an agent of the Commission, renewed the fraudulent Section 8 lease between MC and **JAIME JOHNSON** until August 1, 2017, but reduced the rent from \$610.00 to \$586.00, and thereby reduced the Section 8 rental subsidy payment from \$402.00 to 378.00 but maintained MC's rental payment of \$208.00.

70. Between August 1, 2014 and August 1, 2016, Lorena Loren issued Section 8 rental subsidy payments to **JAIME JOHNSON** for MC's tenancy at Lorena Loren's and **BRIAN LOREN**'s Port Austin property, totaling \$9,926.00, for the direct benefit of Lorena Loren, **BRIAN LOREN**, and **JAIME JOHNSON**.

71. On August 1, 2014, Lorena Loren and **JAIME JOHNSON** entered into a fraudulent HAP contract for DC, a tenant in Apt. 4 at the Port Austin property, which falsely listed **JAIME JOHNSON** as the owner of Port Austin. The term of the lease was August 1, 2014 through July 31, 2015 at the rental rate of \$760.00.

The Section 8 rental subsidy was \$512.00. According to the fraudulent lease, the balance of the rental payment, \$248.00, was the tenant's responsibility.

72. In August 2014, Lorena Loren directed DC to mail DC's portion of the rental payment to **JAIME JOHNSON** at 1329 Golfview Drive, Daytona Beach, Florida, a house that Lorena Loren, **BRIAN LOREN**, **RYAN LOREN** and **JAIME JOHNSON** had purchased with an FHA-insured mortgage and where **RYAN LOREN**, **KAYLA LOREN**, **JAIME JOHNSON**, and **JAIME JOHNSON**'s wife and Lorena Loren's daughter, Nicholle Johnson, resided.

73. Between August 1, 2014 and May 2015, Lorena Loren issued Section 8 rental subsidy payments to **JAIME JOHNSON** for DC's tenancy at Lorena Loren's and **BRIAN LOREN**'s the Port Austin property, totaling \$4,837.00, for the direct benefit of Lorena Loren, **BRIAN LOREN**, and **JAIME JOHNSON**.

74. On August 1, 2014, Lorena Loren and **JAIME JOHNSON** entered into a fraudulent HAP contract for KP, a tenant in Apt. 5 at the Port Austin property which falsely listed **JAIME JOHNSON** as the owner of Port Austin. The term of the lease was August 1, 2014 through July 31, 2015 at the rental rate of \$760.00. The Section 8 rental subsidy was \$720.00. According to the fraudulent lease, the balance of the rental payment, \$40.00, was the tenant's responsibility.

75. Lorena Loren directed KP to mail KP's portion of the rental payment to **JAIME JOHNSON** at 1329 Golfview Drive, Daytona Beach, Florida, a house

that Lorena Loren, **BRIAN LOREN, RYAN LOREN** and **JAIME JOHNSON** had purchased with an FHA-insured mortgage and where **RYAN LOREN, KAYLA LOREN, JAIME JOHNSON**, and **JAIME JOHNSON**'s wife and Lorena Loren's daughter, Nicholle Johnson resided.

76. On August 1, 2015, Lorena Loren, as an agent of the Commission, renewed the fraudulent Section 8 lease between KP and **JAIME JOHNSON** until August 1, 2016 at the same rental rate of \$760.00, but reduced the Section 8 subsidy payment from \$720.00 to \$668.00, and increased KP's rental payment to \$92.00.

77. On August 1, 2016, Lorena Loren, while an agent of the Commission, renewed the fraudulent Section 8 lease between KP and **JAIME JOHNSON** until August 1, 2017, at the same rental rate of \$760.00, but reduced the Section 8 subsidy payment from \$668.00 to \$663.00, and increased KP's rental payment to \$105.00.

78. On August 1, 2016, Lorena Loren prepared another modification to KP's fraudulent Section 8 lease in which Lorena Loren made an interim adjustment to add, KP's wife, JP who was a former tenant in Apt. 3 at Port Austin and ineligible to receive Section 8 benefits. KP moved from Apt. 3 and moved into Apt. 5 with JP after KP and JP were married in July 2015. The rental amount for KP's tenancy in Apt. 3 remained the same at \$760.00, but the Section 8 rental subsidy payment was reduced to \$328.00 and KP's (and JP's) rental payment was raised to \$432.00

79. Between August 1, 2014 and August 1, 2016 Lorena Loren issued Section 8 rental subsidy payments to **JAIME JOHNSON** for KP's tenancy at Lorena Loren's and **BRIAN LOREN**'s Port Austin property, totaling \$17,143.00, for the direct benefit of Lorena Loren, **BRIAN LOREN**, and **JAIME JOHNSON**.

80. Between August 1, 2014 and August 1, 2016, Lorena Loren fraudulently issued monthly Section 8 rental subsidy payments to **JAIME JOHNSON** for the purported tenancy of AN, an individual who resided with KP for a few months, by falsely claiming that AN resided in Apt. 3 at the Port Austin, during a period, when, in fact, JP resided in Apt. 3 until July 2015. Lorena Loren continued issuing Section 8 rental subsidy payments to **JAIME JOHNSON** later after Apt. 3 became vacant, in an amount totaling \$12,779.00, for the direct benefit of Lorena Loren, **BRIAN LOREN**, and **JAIME JOHNSON**.

81. Between October of 2014 and August of 2016, Lorena Loren fraudulently issued monthly Section 8 rental subsidy payments to **JAIME JOHNSON** in the name of CW, totaling \$18,400.00, for the direct benefit of Lorena Loren, **BRIAN LOREN**, and **JAIME JOHNSON**. No Section 8 HAP contracts or lease agreements were on file with the Commission regarding CW's tenancy at Port Austin.

82. Between August 1, 2014 and August 1, 2016, **JAIME JOHNSON** deposited the Section 8 rental subsidy payments issued to him for the Port Austin

property and for the purported rents for AN and CW at Port Austin, totaling \$73, 266.00 into PNC Account 8186 that **JAIME JOHNSON** jointly owned with **BRIAN LOREN**.

83. On February 5, 2016, **BRIAN LOREN** deposited into PNC Account 8186 a tenant rental check from BG, dated February 4, 2016, made payable to **JAIME JOHNSON** as the purported owner of Lorena Loren and **BRIAN LOREN**'s Port Austin property, in the amount of \$210.00.

84. On March 1, 2016 **BRIAN LOREN** deposited into PNC Account 8186 a Section 8 rental subsidy check, dated March 1, 2016, made payable to **JAIME JOHNSON** as the purported owner of Lorena Loren and **BRIAN LOREN**'s Port Austin property, in the amount of \$2,822.00.

85. On April 28, 2016, **BRIAN LOREN** deposited into PNC Account 8186 a Section 8 rental subsidy check, dated May 1, 2016, made payable to **JAIME JOHNSON** as the purported owner of Lorena Loren and **BRIAN LOREN**'s Port Austin property, in the amount of \$2,822.00.

86. The total amount of fraudulent Section 8 rental subsidy payments issued to **JAIME JOHNSON** for the direct benefit of Lorena Loren, **BRIAN LOREN**, and **JAIME JOHNSON** between August 2014 and August 2016 is summarized as follows:

<u>Address</u>	<u>Tenant Listed</u>	<u>Actual Tenant</u>	<u>Time Period Paid</u>	<u>Section 8 Subsidy Paid</u>
3221 Port Austin Rd, Apt 1	BG	Same	8/2014- 8/2016	\$10,184.00
3221 Port Austin Rd, Apt 2	MC	Same	8/2014- 8/2016	\$9,926.00
3221 Port Austin Rd, Apt 3	AN	Unknown; Vacant or other tenants: 11/2014-on	8/2014- 8/2016	\$12,776.00
3221 Port Austin Rd, Apt 4	DC	Same: 8/2014- 9/2014; Vacant or other tenants: 10/2014-on	8/2014- 5/2015	\$4,837.00
3221 Port Austin Rd, Apt 5	KP	Same, and AN: 11/2014- 5/2015	8/2014- 8/2016	\$17,143.00
None Listed	CW	Unknown	10/2014- 8/2016	\$18,400.00
			Total:	\$73,266.00

87. In furtherance of the conspiracy, between August 2014 and August 2016, **BRIAN LOREN** and/or **JAIME JOHNSON** transferred Section 8 funds from the PNC Account 8186, totaling \$47,955.00, into a PNC bank account (PNC Account 2287), account number ending 2287, owned by Lorena Loren and **BRIAN LOREN**.

88. Between August 2014 and August 2016, **JAIME JOHNSON**, transferred Section 8 funds, totaling \$28,380.00, from PNC Account 8186 and deposited the funds into a different PNC bank account (“PNC Account 4687), account number ending with 4687, that **JAIME JOHNSON** owned with his wife, Nicholle Johnson, Lorena Loren’s daughter, and **JAIME JOHNSON** and Nicholle Johnson converted those funds to their own use.

89. Between August 2014 and August 2016, **BRIAN LOREN** and Lorena Loren converted to their own use and direct benefit Section 8 funds Lorena Loren fraudulently issued to **JAIME JOHNSON** to pay **BRIAN LOREN**’s and Lorena Loren’s mortgage, car payments, and bills associated with **BRIAN LOREN**’s and Lorena Loren’s true ownership of the Port Austin property for which **JAIME JOHNSON** was fraudulently issued Section 8 rental subsidy payments.

90. In an effort to conceal the fraudulent scheme, on July 31, 2016, **BRIAN LOREN** and Lorena Loren executed a quit claim deed in which **BRIAN LOREN** and Lorena Loren fraudulently transferred the Port Austin property to **JAIME JOHNSON**.

COUNT TWO

(18 U.S.C. §§1956(a)(1)(B)(i) and 1956(h)-
Conspiracy to Launder Monetary Instruments)

D-1 BRIAN LOREN
D-2 RYAN LOREN
D-4 JAIME JOHNSON

91. The allegations contained in paragraphs 1 through 90 are re-alleged and incorporated as though fully set forth in this Count.

92. Between May 2012 and August 2016, within the Eastern District of Michigan, Southern Division and elsewhere, the defendants **BRIAN LOREN**, **RYAN LOREN**, and **JAIME JOHNSON**, and others known and unknown to the Grand Jury, including Lorena Loren, knowing that the property involved represented the proceeds of some form of unlawful activity, as defined in Title 18, United States Code, Section 1956(c)(1), that is, federal program fraud, a felony under Title 18, United States Code, Section 666, did knowingly, intentionally and unlawfully combine, conspire and confederate and agree with each other, and with others to conduct and cause to be conducted financial transactions which involved the proceeds of said unlawful activity, with the intent to conceal and disguise the nature, the location, the source, the ownership, and the control of the proceeds of the specified unlawful activity, in violation of Title 18, United States Code, Section 1956(a)(1)(B)(i).

All in violation of Title 18, United States Code, Section 1956(h).

COUNTS THREE THROUGH FIVE

(18 U.S.C. §§ 1956(a)(1)(B)(i) & 2- *Laundering of Monetary Instruments*)

D-1 BRIAN LOREN

D-2 RYAN LOREN

D-4 JAIME JOHNSON

93. The allegations contained in paragraphs 1 through 90 are re-alleged and incorporated as though fully set forth in these Counts.

94. On the dates identified below, within the Eastern District of Michigan, Southern Division and elsewhere within the United States, the defendants **BRIAN LOREN, RYAN LOREN, and JAIME JOHNSON**, together with others, did knowingly and intentionally conduct and attempt to conduct financial transactions affecting interstate commerce, as set forth below, which transactions involved the proceeds of specified unlawful activity, that is, federal program fraud, in violation of Title 18, United States Code, Section 666, knowing that the property involved in such financial transactions represented the proceeds of some form of unlawful activity, and knowing that such transactions were designed, in whole and in part, to conceal and disguise the nature, the location, the source, the ownership, and or the control of the proceeds of the specified unlawful activity.

Count	Defendant	Financial Transaction	Approximate Dates
Three	D-1 BRIAN LOREN	Transfer of at least \$52,297 in Section 8 Commission funds from joint PNC Account 8186 to joint PNC Account 2287 for the direct benefit of BRIAN LOREN and Lorena Loren.	August 2014 through August 2016
Four	D- 4 JAIME JOHNSON	Deposit of at least \$67,165 from Commission funds into joint PNC Account 8186 for the direct benefit of JAIME JOHNSON, BRIAN LOREN and Lorena Loren.	August 2014 through August 2016

Five	D-2 RYAN LOREN	Receipt of at least \$59,161 from Commission funds into joint account Fifth Third Account 0837 of RYAN LOREN and Stocks, Sr. and subsequent title and mortgage payments in the amount of approximately \$34,745 towards real property in Daytona Beach, Florida, owned by JAIME JOHNSON, BRIAN LOREN, RYAN LOREN, KAYLA LOREN and others.	May 2012 through August 2016
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COUNT SIX

(18 U.S.C. § 1623- False Declarations Before a Grand Jury)

D-2 RYAN LOREN

95. On or about May 10, 2017, in the Eastern District of Michigan, Southern Division Defendant **RYAN LOREN**, while under oath and testifying in a proceeding before a grand jury of the United States in the Eastern District of Michigan, knowingly did make material false declarations, that is to say: Defendant **RYAN LOREN**, knowingly misled and lied to the grand jury regarding his residency at 525 S. Sheridan, Bay City, Michigan, said information being material to the grand jury at the time the testimony was taken.

96. At the time and place alleged, Defendant **RYAN LOREN**, while under oath and testifying in a proceeding before a grand jury of the United States in the Eastern District of Michigan, made the following declarations in response to questions with respect to the material matter alleged in Paragraphs 95 and 98:

Q. Are you familiar with the address 525 South Sheridan?

A. It sounds familiar.

Q. Mr. Loren did you ever reside there?

A. ***I don't know. I don't remember.***

Q. Let me ask you this. Did you ever live with [DF]?

A. Live with her?

Q. That's what I mean.

A. ***I don't remember. I mean, we spent the night together a few times, but I don't remember we actually lived together.***

Q. When you spent the night with her, where was she living?

A. At, it was an apartment in Bay City.

Q. Was it 525 South Sheridan?

A. ***It might have been. Maybe that's why it sounds familiar.***

...

Q. So you said that you believe DF lived on South Sheridan, right?

A. Yeah, maybe.

Q. And your testimony today is that you never lived there?

A. ***I said I don't remember.***

Q. You don't know if you lived there or not, with her?

A. ***No ma'am, I do not.***

Q. Have you ever had any conversations with the landlord at South

Sheridan?

A. Yeah –

Q. 525 South Sheridan?

A. yes.

Q. And do you know his name?

A. **No, I do not.**

Q. Does [FN] sound familiar?

A. **Not really.**

...

Q. Isn't it true Mr. Loren, that you, your mom your dad and [DF] approached Mr. [FN] about you and [DF] renting an (sic) apartment 525 South Sheridan Street? Isn't that true?

A. **Not Dena and I renting it.**

Q. What about you and Kayla?

A. Not Kayla and I renting.

Q. Then what about you and Corey?

A. Not Corey and I renting.

Q. What about just you?

A. Just me.

Q. Yes.

A. ***Not that I can remember.***

...

Q. Do you recall whether or not your wife, your current wife ever resided at 525 South Sheridan Street?

A. I think she did live there, yes.

Q. Did you live there with her?

A. ***No ma'am I did not.***

Q. You never lived at that place?

A. ***Never lived there.***

...

Q. I think you said earlier that [DF] lived at South Sheridan, right?

A. I believe so, yes.

Q. And then you now just testified that your wife lived at South Sheridan, right?

A. I believe so, yes.

Q. 525 South Sheridan, right?

A. I believe so.

Q. And is it your testimony that that's just merely a coincidence and that you did not live there?

A. ***Yes, ma'am.***

Q. That's your testimony? You never lived at 525 South Sheridan Street?

A. *As far as I can remember, I have not.*

...

Q. And just so we're clear, you never resided at 525 South Sheridan. Is

That your testimony?

A. *I cannot remember.*

97. The indicated portions (bold and italicized) of the testimony of **RYAN LOREN** as he then and there well knew and believed, were false, in that **RYAN LOREN** knew that he had resided at 525 South Sheridan Street continuously between on or about August 1, 2008 through approximately April 2012 while he was enrolled at Saginaw Valley University.

98. At the time and place aforesaid, that the grand jury was conducting an investigation to determine whether violations of Title 18, United States Code, Sections 371, 666, and 1956 had been committed, and to identify the persons who had committed, caused the commission of, and were involved in furtherance of such violations. It was material to the investigation that the grand jury ascertain whether Section 8 housing assistance was used to pay for **RYAN LOREN's** tenancy at 525 South Sheridan, Bay City, Michigan in violation of HUD rules and regulations prohibiting family members of employees of the Commission from personally benefitting from Section 8 housing assistance.

All in violation of Title 18, United States Code, Section 1623.

COUNT SEVEN

(18 U.S.C. § 1623- *False Declarations Before a Grand Jury*)

D-3 KAYLA LOREN

99. On or about May 10, 2017, in the Eastern District of Michigan, Defendant **KAYLA LOREN**, while under oath and testifying in a proceeding before a grand jury of the United States in the Eastern District of Michigan, Southern Divisions, knowingly did make material false declarations, that is to say: Defendant **KAYLA LOREN**, knowingly misled and lied to the grand jury regarding **RYAN LOREN**'s residency at 525 S. Sheridan, Bay City, Michigan, said information being material to the grand jury at the time the testimony was taken.

100. At the time and place alleged, Defendant **RYAN LOREN**, while under oath and testifying in a proceeding before a grand jury of the United States in the Eastern District of Michigan, made the following declarations in response to questions with respect to the material matter alleged in Paragraph 99 and 102:

Q. So going back to, you said we moved in – who did you live with at 525 Sheridan?

A. **Nobody.**

Q. You did not live with Ryan Loren at 525 South Sheridan?

A. **No ma'am, he did not live with me.** My parents would look down

up (sic) on that. But --

...

Q. And it is your testimony today at no point that you resided at 525 South Sheridan did Ryan reside there with you. Is that your testimony?

A. *Yes ma'am.* My parents would frown down upon that. But that doesn't mean that he hasn't --

Q. They might frown, but did it happen?

A. *He didn't live there. There's nothing wrong with him spending the the night every now and then.*

Q. So your testimony is he visited there, but didn't live there?

A. *Correct.*

...

Q. Did you know Ryan lived in 525 South Sheridan with his former girlfriend, [DF], before you lived there?

A. *Ryan's never lived there.*

...

Q. Now, was Ryan residing at 525 Sheridan before you started living there?

A. *I'm not sure.*

Q. When you were dating him, did you ever go to his apartment?

A. No ma'am.

Q. Never? And you –

A. I lived with my sister.

Q. And you never knew his address?

A. No ma'am.

Q. The entire time you were dating him.

A. Correct.

Q. At what point did you know his address?

A. Not the entire time I was dating him.

Q. Are you answering my last question now?

A. Um-hum.

Q. Okay. So at what point did you learn where he was living?

A. *When I moved into the apartment and he came over and said, oh,
this looks familiar.*

Q. He came over and said it looked familiar.

A. ***Um-hum.***

Q. Is that yes?

A. ***Yes.***

101. The indicated portions (bold and italicized) of the testimony of **KAYLA LOREN** as he then and there well knew and believed, were false, in that

KAYLA LOREN knew that **RYAN LOREN** resided at 525 South Sheridan Street before she began dating him and after she moved into the apartment at 525 South Sheridan Street and served as a nominee for **RYAN LOREN** to fraudulently receive Section 8 housing assistance in violation of HUD rules and regulations.

102. At the time and place aforesaid, that the grand jury was conducting an investigation to determine whether violations of Title 18, United States Code, Sections 371, 666, and 1956 had been committed, and to identify the persons who had committed, caused the commission of, and were involved in furtherance of such violations. It was material to the investigation that the grand jury ascertain whether Section 8 housing assistance was used to pay for **RYAN LOREN**'s tenancy at 525 South Sheridan, Bay City, Michigan in violation of HUD rules and regulations prohibiting family members of employees of the Commission from personally benefitting from Section 8 housing assistance.

All in violation of Title 18, United States Code, Section 1623.

COUNT EIGHT

(18 U.S.C. § 1623- *False Declarations Before a Grand Jury*)

D-3 KAYLA LOREN

103. On or about May 10, 2017, in the Eastern District of Michigan, Southern Division, Defendant **KAYLA LOREN**, while under oath and testifying in a proceeding before a grand jury of the United States in the Eastern District of

Michigan, knowingly did make material false declarations, that is to say: Defendant **KAYLA LOREN**, knowingly misled and lied to the grand jury regarding her Section 8 housing application for housing for her residency at 525 S. Sheridan, Bay City, Michigan, said information being material to the grand jury at the time the testimony was taken.

104. At the time and place alleged, Defendant **KAYLA LOREN**, while under Oath and testifying in a proceeding before a grand jury of the United States in the Eastern District of Michigan, made the following declarations in response to questions with respect to the material matter alleged in Paragraph 103 and 106:

Q. Let me show you something. Did you at any time receive Section 8 benefits for living at 525 South Sheridan?

A. ***For a short time yes.***

Q. Do you know what those are? What are Section 8 benefits??

A. I was able -- I got help –

Q. From who?

A. Money and financial help to stay there while I attended school?

Q. And from where did you get that help?

A. I applied for Section 8, and I got Section 8.

Q. You applied with whom?

A. ***I don't know. I just went to a big office and applied for Section 8.***

Q. You don't remember which office you went to?

A. ***No ma'am***

Q. Your mother-in-law didn't help you with applying for Section 8?

A. ***I didn't know her then.***

Q. You didn't know your mother-in-law in 2011?

A. ***Not personally, no.***

...

Q. Did you ever complete an application for Section 8 housing at the St. Clair Housing Commission?

A. ***No ma'am. I don't believe so.***

Q. You don't believe so. So if there is documentation at the St. Clair Housing Commission reflecting that you were receiving Section 8 payments –

A. ***I don't know the name of the place I applied at, so I am not sure of that was the name or not.***

Q. And how did that work? How did you apply? What did you do?

A. ***I walked in and asked them, I need help, financial help with an apartment. And someone referred me to Section 8 to fill out an application and I handed it back.***

Q. Who referred you?

A. ***I don't know the names. I'm not good with names.***

Q. And you don't know which county or city where this place you went

with no name is located?

A. ***Port Huron, Michigan***

Q. It was Port Huron, Michigan? Okay. And didn't – did you ever talk to Lorena Loren about applying for Section 8 housing?

A. ***No ma'am. I did not know her when I applied.***

Q. Did you know that Ryan lived in 525 South Sheridan with his former girlfriend, [DF], before you lived there?

A. ***Ryan's never lived there.***

Q. How would you know that Ryan's never lived there?

A. ***Because I rented the apartment.***

Q. Before you rented it, how would you know that Ryan didn't live there? Were you dating him before you rented it?

A. I don't want to answer that.

...

Q. Did you receive any checks from the St. Clair Housing Commission for leases that were in your name - -

A. Not that I know of.

Q. -- while you were living – pardon me?

A. Not that I know of.

Q. Not that you know of. Did you ever sign any contracts for Section 8 housing along with your mother-in-law?

A. ***No ma'am.***

Q. No?

A. ***No ma'am.***

Q. So whoever you signed up for Section 8 housing with, it was someone other than Lorena Loren, right?

A. ***Correct.***

...

Q. So whoever you talked to, it wasn't your mother-in-law?

A. ***Correct.***

Q. That's what you're saying? Whoever you entered into the contract with to receive these benefits, it wasn't your mother-in-law?

A. ***Correct.***

105. The indicated portions (bold and italicized) of the testimony of **KAYLA LOREN** as she then and there well knew and believed, were false, in that **KAYLA LOREN** knew that she submitted an application for housing assistance under the Section 8 program for the lease at 525 South Sheridan, Bay City, Michigan at the St. Clair Housing Commission where Lorena Loren, **KAYLA LOREN**'s mother-in-law served as its executive director. In addition, in support of this application, **KAYLA LOREN** provided her social security card and her birth certificate, which was time-stamped by the Commission on November 5, 2010. On November 17, 2010, **KAYLA LOREN** also signed and dated HUD forms,

Declaration of 214; Form HUD-52675- Debts owed to Public Housing Agencies and Terminations and Form HUD- 988- Authorization for release of Information/Privacy Act Notice, which were all maintained in a tenant file in her name at the Commission.

106. At the time and place aforesaid, that the grand jury was conducting an investigation to determine whether violations of Title 18, United States Code, Sections 371, 666, and 1956 had been committed, and to identify the persons who had committed, caused the commission of, and were involved in furtherance of such violations. It was material to the investigation that the grand jury ascertain whether Section 8 housing assistance was used to pay for **RYAN LOREN's** tenancy at 525 South Sheridan, Bay City, Michigan in violation of HUD rules and regulations prohibiting family members of employees of the Commission from personally benefitting from Section 8 housing assistance.

All in violation of Title 18, United States Code, Section 1623.

FORFEITURE ALLEGATION

(18 U.S.C. § 981(a)(1)(A) and (C)
and 28 U.S.C. § 2461- *Criminal Forfeiture*)

The allegations contained in this Indictment are incorporated herein by this reference for the purpose of alleging forfeiture.

Upon conviction for violating 18 U.S.C. § 371 (conspiracy), as set forth in this Indictment, Defendants shall forfeit any property, real or personal, which

constitutes or is derived from proceeds traceable to the violation, pursuant to 18 U.S.C. § 981(a)(1)(C) together with 28 U.S.C. § 2461(c).

Upon conviction for violating 18 U.S.C. § 1956 (money laundering and conspiracy, thereto), as set forth in this Indictment, Defendants shall forfeit any property, real or personal, involved in a transaction or attempted transaction in violation of 18 U.S.C. § 1956, or any property traceable to such property, pursuant to 18 U.S.C. § 981(a)(1)(A) together with 28 U.S.C. § 2461(c).

Such property includes, but is not limited to, a forfeiture money judgment in an amount to be proved in this matter representing the value of the property subject to forfeiture.

Pursuant to 21 U.S.C. § 853(p), as incorporated by 28 U.S.C. § 2461, if the property described above as being subject to forfeiture, as a result of any act or omission of the defendant(s):

- (1) cannot be located upon the exercise of due diligence;
- (2) has been transferred or sold to, or deposited with, a third party;
- (3) has been placed beyond the jurisdiction of the Court;
- (4) has been substantially diminished in value; or
- (5) has been commingled with other property that cannot be subdivided without difficulty;

it is the intent of the United States, pursuant to 21 U.S.C. § 853(p), to seek to forfeit

any other property of the defendant up to the listed value as a substitute asset.

THIS IS A TRUE BILL.

s/Grand Jury Foreperson

GRAND JURY FOREPERSON

MATTHEW SCHNEIDER

United States Attorney

s/David A. Gardey

DAVID A. GARDEY

Assistant United States Attorney

Chief, Public Corruption Unit

s/Dawn N. Ison

DAWN N. ISON

Assistant United States Attorney

s/Shankar Ramamurthy

SHANKAR RAMAMURTHY

Assistant United States Attorney

Dated: December 19, 2018

United States District Court
Eastern District of Michigan

Criminal Case Cov

NOTE: It is the responsibility of the Assistant U.S. Attorney signing this form to com

Case:2:18-cr-20827
Judge: Cox, Sean F.
MJ: Stafford, Elizabeth A.
Filed: 12-19-2018 At 01:57 PM
USA V SEALED MATTER (LG)

Companion Case Information

Companion Case Number: 17-cr-20527

This may be a companion case based upon LCrR 57.10 (b)(4)¹:

Judge Assigned: Mark A. Goldsmith

Yes No

AUSA's Initials:



Case Title: USA v. Brian Loren et al.

County where offense occurred : Macomb County

Check One: Felony Misdemeanor Petty

- Indictment/____ Information --- no prior complaint.
- Indictment/____ Information --- based upon prior complaint [Case number:]
- Indictment/____ Information --- based upon LCrR 57.10 (d) [Complete Superseding section below].

Superseding Case Information

Superseding to Case No: _____ Judge: _____

- Corrects errors; no additional charges or defendants.
- Involves, for plea purposes, different charges or adds counts.
- Embraces same subject matter but adds the additional defendants or charges below:

<u>Defendant name</u>	<u>Charges</u>	<u>Prior Complaint (if applicable)</u>
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Please take notice that the below listed Assistant United States Attorney is the attorney of record for the above captioned case.

December 19, 2018

Date

DAWN N. ISON
Assistant United States Attorney
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Attorney Bar #: P48990

¹ Companion cases are matters in which it appears that (1) substantially similar evidence will be offered at trial, or (2) the same or related parties are present, and the cases arise out of the same transaction or occurrence. Cases may be companion cases even though one of them may have already been terminated.